

## ORIGINAL TRANSCRIPT

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

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In re:	)	Bankr. Case No.:
VS FOX RIDGE, LLC,	)	12-28001-JTM
and	)	Bankr. Case No.:
STEPHEN LAMAR CHRISTENSEN	)	12-28010-JTM
and VICTORIA ANN	)	Jointly Administered
CHRISTENSEN,	)	Under Case No.:
	)	12-28001-JTM
Debtors.	)	(Chapter 11)
	)	
	)	
	)	Judge Joel T. Marker
	)	

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October 11, 2012 - 9:02 a.m.

### TRANSCRIPT OF ELECTRONIC RECORDING

Reporter: Tamra J. Berry  
Notary Public in and for the State of Utah

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P R O C E E D I N G S

THE BAILIFF: All arise. The United States Bankruptcy Court for the District of Utah, Central Division, the Honorable Joel T. Marker presiding, is now in session. God save the United States of America and this honorable court.

Please be seated.

THE COURT: Good morning. Please call the calendar.

THE BAILIFF: This is in the matter of VS Fox Ridge.

THE COURT: Can I get appearances?

MR. BOLEY: Your Honor, Matthew Boley appearing on behalf of VS Fox Ridge, LLC, debtor in possession.

MS. OLSEN: Sherilyn Olsen and John Harrington on behalf of Forge Investments.

MR. SHIELDS: Your Honor, Jeffrey L. Shields and J.D. Lyons on behalf of the TM companies.

MR. KUHN: Peter Kuhn for the United States Trustee.

MR. BERRY: Dave Berry for Steve and Victoria Christensen, debtors.

THE COURT: All right. Mr. Shields, this

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1 is your motion.

2 MR. SHIELDS: Thank you, Your Honor. We'd  
3 call Mr. Steve Christensen as our first witness.

4 THE BAILIFF: Please come forward to this  
5 mic and raise your right hand.

6 MR. BOLEY: Your Honor, the debtors would  
7 like to make a brief opening statement before we  
8 begin with evidence.

9 THE COURT: I've read all the documents.

10 MR. BOLEY: All right.

11

12 Stephen Christensen,

13 called as a witness, being first sworn,

14 was examined and testified as follows:

15

16 THE BAILIFF: Please take the witness  
17 stand and state your full name for the record.

18 THE WITNESS: Stephen Lamar Christensen.

19

20 DIRECT EXAMINATION

21 BY MR. SHIELDS:

22 Q. Mr. Christensen, you're one of the debtors  
23 in this jointly administered bankruptcy case; is that  
24 correct?

25 A. I believe so.

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1 Q. You and your wife, Vicky, are debtors?

2 A. Yes.

3 Q. And also you're a manager of the VS Fox  
4 Ridge entity which is also a debtor?

5 A. Yes.

6 Q. It's a Chapter 11 case, correct?

7 A. Yes.

8 Q. It was filed voluntarily?

9 A. Yes.

10 Q. Would you look at the exhibit book in  
11 front of you and turn to Exhibit 1?

12 THE COURT: Well, he's got two books.

13 MR. SHIELDS: Oh.

14 THE COURT: Why don't you help him out.  
15 You can approach; you don't need to ask.

16 MR. SHIELDS: And for the record, I think  
17 the movants' exhibits are 1 through whatever and the  
18 debtors' exhibits are A through whatever.

19 THE COURT: Correct.

20 Q. (By Mr. Shields) Mr. Christensen, have  
21 you seen that exhibit under tab 1?

22 A. Yes.

23 Q. And is that a copy of the amended  
24 declaration which you filed on August 8th?

25 A. I was looking for --



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1 THE COURT: Mr. Shields, it's stamped as  
2 August 16th?

3 MR. SHIELDS: Correct.

4 Q. (By Mr. Shields) Right at the top of the  
5 page is says filed on August 16th. Right by your  
6 signature in the -- two-thirds the way down on that  
7 first page, is that your signature?

8 A. Yes.

9 Q. Does that say it was signed on August 8th?

10 A. Yes.

11 Q. Okay. And is that your wife's signature  
12 as well?

13 A. Yes.

14 Q. Did she also sign that on August 8th?

15 A. Yes.

16 Q. And did you review these amendments before  
17 you filed them with the Court?

18 A. I did.

19 Q. And are they accurate to the best of your  
20 knowledge?

21 A. To the best of my knowledge, yes.

22 Q. Would you go to the second page. Up at  
23 the top it says docket 42. It's page 2 of 9. Do you  
24 see that?

25 A. Yes.

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1 Q. It's called Summary of Schedules?

2 A. Yes.

3 Q. Amended?

4 A. Yes.

5 Q. Now, of that \$77 million in assets, how  
6 much of that involves claims in litigation?

7 A. I believe it was about approximately \$50  
8 million, but I am looking at this to see.

9 Q. Isn't it 75 million? Didn't you list some  
10 claims at 50 and another set of claims at 25 for a  
11 total of 75 million?

12 MR. BOLEY: Perhaps Mr. Shields can turn  
13 his attention to the relevant pages.

14 THE COURT: I was thinking the same thing.

15 Q. (By Mr. Shields) All right.  
16 Mr. Christensen, let me take you then to page 4 of 9.

17 A. Okay.

18 Q. See paragraph 21, other contingent and  
19 unliquidated claims?

20 A. Yes.

21 THE COURT: I'm sorry, Mr. Shields, I  
22 don't mean to interrupt you. But let's back up. Do  
23 you have an agreement with Mr. Boley about the  
24 admission of these exhibits?

25 MR. SHIELDS: Yes, we do, Your Honor.

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1 MR. BOLEY: We had a stipulation regarding  
2 admission of a number of exhibits. Perhaps we  
3 should --

4 THE COURT: Okay. And I apologize,  
5 Mr. Christensen, for interrupting your testimony.

6 THE WITNESS: Oh no, that's fine.

7 THE COURT: But let's go through that and  
8 see if we can get that done first.

9 MR. SHIELDS: Okay. Yes, I believe we  
10 have agreement with the debtor that Exhibits 1, 2 --

11 I can't remember, Mr. Boley. Do we have  
12 an agreement on 3?

13 MR. BOLEY: Maybe I can describe what I  
14 understand our agreement to be --

15 MR. SHIELDS: Okay.

16 MR. BOLEY: -- and Mr. Shields could tell  
17 me if I'm wrong.

18 The debtors stipulate to 1 and 2. The  
19 debtors stipulate to 3, subject to the caveat that my  
20 copy at least of Exhibit 3 had some additional  
21 documents at the end.

22 MR. SHIELDS: Agreed.

23 MR. BOLEY: That appeared to be not --  
24 that shouldn't have been there. So with the  
25 exception of those. So I think it's a document that

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1 says Exhibit 5 on it and then an e-mail. Other than  
2 those, Exhibit 3.

3 Exhibit 4, the debtor stipulates if  
4 Exhibits H through N of our exhibits were also  
5 received. And I believe that's the agreement.

6 MR. SHIELDS: Yes.

7 MR. BOLEY: Exhibit 5, the debtor  
8 stipulates to. Exhibit 6 the debtor stipulates to  
9 with these caveats: It's for the limited purpose of  
10 describing proposed new allegations against the  
11 debtor, not received for the truth. The exhibits to  
12 Exhibit 6 are not to be received. And Exhibit E will  
13 also be received subject to the same condition that  
14 it's allegations and not for the truth.

15 Exhibit E, you mean the debtors' Exhibit  
16 E? Debtors' Exhibit E which is the TM parties'  
17 answer and counterclaim in the Toomey case.

18 MR. SHIELDS: Okay. Agreed.

19 MR. BOLEY: Debtor is not stipulating to  
20 Exhibit 7. The debtor is not stipulating to  
21 Exhibit 8. Would have if Mr. Preston was present.  
22 Debtor stipulates to 9 and 10. Debtor stipulates to  
23 Exhibit 11 if Exhibit C is also received, which is  
24 the motion that preceded the order.

25 MR. SHIELDS: Okay.

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1 MR. BOLEY: Debtor stipulates to 12 and  
2 13. Debtor stipulates to 14 if Exhibits E, Q and R,  
3 our pleadings from the Toomey case are also received.

4 MR. SHIELDS: Okay.

5 MR. BOLEY: And then as long as we're  
6 going through exhibits. The debtors' exhibits, my  
7 understanding is that the movant stipulates to the  
8 admission of all the exhibits with exception of F, G,  
9 O and P.

10 MR. SHIELDS: And Your Honor, I'd ask that  
11 we have during the break -- I didn't have a chance to  
12 talk to my client completely about this proposal. It  
13 came in this morning. So I'd just ask that during  
14 the break I have an opportunity to look at the  
15 debtors' exhibits more carefully and respond to that.

16 MR. BOLEY: I served them two days ago,  
17 but...

18 THE COURT: All right. Well, we're not to  
19 that point yet either so.

20 MR. SHIELDS: Thank you, Your Honor.

21 Q. (By Mr. Shields) So Mr. Christensen, we  
22 were on page 4 of 9 in Exhibit 1. Do you see  
23 paragraph 21 called other contingent and unliquidated  
24 claims?

25 A. Yes.

1 Q. And you see that you have a lot of  
2 unknowns on the value of those claims, except when  
3 you get down to the bottom where it says rights of  
4 contribution and/or indemnity. The last entry on  
5 that page; do you see that?

6 A. Yes.

7 Q. And you put a value of how much to that?

8 A. Said that it -- the value's uncertain. It  
9 may range from 25 million to 100 million.

10 Q. Okay. But the number you put in the  
11 right-hand column is how much?

12 A. I put down 25 million.

13 Q. But it could be as much as 100 million  
14 then?

15 A. Yeah.

16 Q. Okay.

17 A. It could be less because it's uncertain,  
18 or it could be more than the 25.

19 Q. Okay. Then would you go to the next page,  
20 page 5 of 9. This is a continuation of paragraph 21,  
21 your contingent unliquidated claims.

22 A. Yes.

23 Q. What value have you put on that claim?

24 A. It shows \$50 million.

25 Q. And that also has a range between 50 to

1 100.

2 A. Yeah. It says value is uncertain and may  
3 range from 50 to 100.

4 Q. So this is the low value you think?

5 A. It's just the number that we settled on.  
6 There's so much unknown that I couldn't really  
7 represent a final number.

8 Q. And then the next entry is a potential  
9 cause of action against Bank of America. And you've  
10 got that listed as unknown; is that correct?

11 A. Yes. We're still in negotiations with  
12 them, our attorneys are.

13 Q. So would you go back to page 2 of 9. Does  
14 that help refresh your recollection the 77 million  
15 that's the total assets. Isn't the total that --  
16 isn't 75 million of that those unliquidated and  
17 disputed claims we just talked about on page 4 of 9?

18 MR. BOLEY: Your Honor, the schedules  
19 speak for themselves.

20 THE COURT: I'm sorry. I was making a  
21 note. Would you restate the question please?

22 MR. SHIELDS: Yes.

23 Q. (By Mr. Shields) Mr. Christensen, back on  
24 page 2 of 9 where you show total assets in the amount  
25 of \$77,938,550.52, isn't 75 million of that the

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1 contingent unliquidated claims we just discussed on  
2 pages 4 and 5 of 9?

3 MR. BOLEY: And Your Honor, the objection  
4 was that the schedules speak for themselves.

5 THE COURT: They do. But I'll overrule  
6 the objection and let Mr. Christensen respond.

7 THE WITNESS: Yes. I think that it's  
8 conditioned upon the two previous statements I made  
9 about that it's uncertain and it may be those  
10 numbers. It's our best estimate with so much  
11 unknown.

12 Q. (By Mr. Shields) And if you went with  
13 your higher values, it'd be another 100 million more,  
14 right? Because you've gone from 25 to 100 and 1  
15 and --

16 A. Subject to the same conditions that I  
17 stated earlier that it's unknown and it may be.

18 Q. All right. Would you go to page 3 of 9 of  
19 Exhibit 1. Paragraph 16 has your accounts  
20 receivable; is that correct?

21 A. I'm sorry. Let's see, I'm trying to look  
22 for --

23 Q. Page 3 of 9 up at the top.

24 A. Okay.

25 Q. Paragraph 16 says accounts receivable.



1 A. Yes.

2 Q. And you've listed an account in the amount  
3 of until \$1,714,846.58; is that correct?

4 A. Yeah. It was our best estimate.

5 Q. Could you explain to the Court what that  
6 account receivable is?

7 A. It's a member loan that the Traverse  
8 Mountain entities owe me, owe us for -- it was in the  
9 settlement agreement.

10 Q. And that --

11 A. It may not be accurate because there's  
12 interest accruing and so on, and I don't know that it  
13 was completely calculated in its totality at that  
14 time.

15 Q. That claim is disputed though, right?

16 A. I'm not sure.

17 Q. The TM companies don't agree they owe you  
18 that, do they?

19 A. Well, it's in the settlement agreement  
20 that we have that the amount's owed.

21 Q. But does TM companies agree with that?  
22 Have they agreed to pay that?

23 A. Well, they signed it, signed the  
24 settlement agreement.

25 Q. I know that. Have they agreed to pay that

1 amount?

2 A. Well, that's what the settlement agreed to  
3 do, that they would have to pay it back. It's a  
4 member loan.

5 Q. It's disputed though, correct? You don't  
6 have the money, do you?

7 A. No, I don't have the money.

8 Q. And why not?

9 A. They haven't paid it.

10 Q. And why not?

11 A. Well, it gets into all the different  
12 litigation, all the different cases. And there's --  
13 there may be a lot of reasons for why they haven't.  
14 I don't know all of them.

15 Q. Okay.

16 A. I think that they have had the cash at  
17 various times where they could have paid it and might  
18 have, should have paid it.

19 Q. Okay. And the next entry, points and fees  
20 due from Traverse Mountain company, is 250,000. Does  
21 that derive from the settlement agreement as well?

22 A. It's part of the settlement agreement. I  
23 think this is with regards to the Satori loan where I  
24 was the sole guarantor. And under the resolutions  
25 they were supposed to pay me that plus interest; that

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1 amount.

2 Q. And you've asked them to pay that, haven't  
3 you?

4 A. Pardon me?

5 Q. You've asked them to pay that, haven't  
6 you?

7 A. Yes.

8 Q. And they haven't, have they?

9 A. No.

10 Q. Do you know why?

11 A. Well, I know they just don't want to.

12 Q. Is it tied up in the litigation as well?

13 A. I don't know that that -- I don't know if  
14 it is or not. I can't remember if that's part of it,  
15 but.

16 Q. Okay. How about the next entry, deposit  
17 funds held by the company. Principle balance of  
18 100,000 plus interest in damages. Where's that money  
19 on deposit?

20 A. This -- let's see. I'm not sure. I think  
21 that this was -- I think this may have been the  
22 deposit that was done in litigation. I don't know.  
23 Without going back and reviewing it with my  
24 attorneys, I can't quite remember which one that was  
25 -- which that would be applied to. I don't remember.

1 Q. Do you know which title company deposited  
2 it?

3 A. I don't remember.

4 Q. Does it involve the litigation with TM  
5 company?

6 A. I don't remember that. I'd have to go  
7 back and check with the attorneys on that and our  
8 accountants.

9 Q. Okay. How about services rendered with a  
10 \$4,000 value. Who were those services to and why  
11 have they not paid?

12 A. Those were just -- I believe those were  
13 amounts that were owed to me for properties that are  
14 owed to VS Fox Ridge and Stephen and Vicky. It might  
15 have been a little bit more than that with regards to  
16 consulting fees that were still owed to me on  
17 unrelated projects to Traverse Mountain.

18 Q. And for whom did you perform the  
19 consulting fees?

20 A. It was on a -- it was for some work that  
21 I'd done for my brother-in-law. And then I think  
22 some of it was -- I think most of it might have been  
23 for my brother-in-law.

24 Q. And so he is the one that owes you that  
25 money?

1           A.     Yeah. He paid -- he's since paid it, I  
2 believe. And I've reported it, I think, in the  
3 bankruptcy.

4           Q.     Oh, your brother-in-law has paid the  
5 4,000?

6           A.     I think part of it. I think he -- it was  
7 for some services that I helped my son with on  
8 consulting fees and my brother-in-law.

9           Q.     Okay. And so --

10          A.     And it seems to me like that that amount  
11 has been paid for those consulting services for a  
12 project my son was working on.

13          Q.     And where's the money?

14          A.     I believe it was reported to the --

15          Q.     Where is the money? Not where was it  
16 reported. Where is the money?

17          A.     It would have been deposited into our  
18 bankruptcy account.

19          Q.     Have you spent it?

20          A.     I don't know.

21          Q.     Okay.

22          A.     I don't think so.

23          Q.     The 25,000 owing from VS Fox Ridge, what's  
24 that for?

25          A.     This explanation is so brief I'm trying to

1 test my memory on. I believe that might have been --  
2 I'd have to go back and check, but I -- it might have  
3 been with regards to the small subdivision that I did  
4 in front of our home called Apple Creek Farms.

5 Q. And VS Fox Ridge owes you money for that?

6 A. I'd have to go back and look at our notes  
7 and when we put this together. Sorry.

8 Q. And VS Fox Ridge owes you money for that?

9 A. I believe so.

10 Q. And why don't you just go collect that?

11 A. Pardon me?

12 Q. Why don't you just go get that money from  
13 VS Fox Ridge?

14 A. Because they don't have it to pay right  
15 now.

16 Q. Okay. The last entry is reimbursement  
17 from the LDS church. Have you been paid that?

18 A. Not yet. Oh, yes, I have. And it was  
19 reported in our case.

20 Q. So it's in your account?

21 A. Yes.

22 Q. When did that take place?

23 A. Several months ago, maybe July or early  
24 August.

25 Q. So the 4,000 has been paid, the 763 has

1       been paid, and the other hasn't been paid either  
2       because the obligor can't pay it or they're in  
3       dispute; is that correct?

4             A.       I believe that's correct.

5             Q.       Okay. Would you go to the next page,  
6       schedule B. You've listed claims against Key Bank,  
7       Penga, Stokes, Howcroft as unknown. Do you have a  
8       range of value in those claims?

9             A.       We're working on that with regards to our  
10       plan, but I don't have it finalized. We're working  
11       on it presently.

12            Q.       And that's true for all -- there's four  
13       other entries that all say unknown -- three other  
14       entries. You don't have any better estimated value  
15       today than you did when you filed these schedules?

16            A.       We're working on trying to put that  
17       together with regards to the plan, but I don't have a  
18       final number on that.

19            Q.       Are those numbers independent and above  
20       the 25 million listed on the last entry of page 4 of  
21       9?

22            A.       Well, because they're unknown, that's why  
23       we had that statement down at the bottom that it said  
24       it may -- it's uncertain what the total was. It  
25       could be in between the bottom number or below or

1 above.

2 Q. I see. The unknowns are not included in  
3 the 25, but they may be within the range of between  
4 25 and 100?

5 A. I'm not saying that. I think the  
6 statement -- let me just go back here. I'm sorry.  
7 It'll just take one minute.

8 Yeah. Where it talks about the value is  
9 uncertain, it may range from 25 to \$100 million.  
10 It's just -- that statement was put in there because  
11 I don't know. There's so much I don't know that  
12 Traverse Mountain hasn't disclosed to me or has  
13 concealed from me. They haven't been holding board  
14 meetings and properties have been transferred, moved  
15 around.

16 Q. No. The question is is the 25 million --  
17 the range between 25 and 100, that 75 million  
18 unaccounted for, is that included with the five  
19 unknown categories that are identified above the 25  
20 million?

21 A. It could be. I just don't know what those  
22 amounts are at this time.

23 Q. You don't know.

24 All right. Let's go to the next page,  
25 page 5 of 9. This is where you have the \$50 million



1 number on the right-hand column for current value.

2 Do you see that?

3 A. Yes.

4 Q. And then underneath that you have a  
5 potential cause of action against Bank of America for  
6 failure to timely process loan modification  
7 applications.

8 A. Yes.

9 Q. And you have a range of value for that  
10 now. You did not at the time. It was unknown. How  
11 about now?

12 A. No. Well, I think that -- I mean there's  
13 ongoing negotiations with them but they're not final.

14 Q. They haven't paid you?

15 A. Huh?

16 Q. They haven't paid you any money?

17 A. No.

18 Q. Do they agree they owe you?

19 A. They're not saying that they owe me. But  
20 they're talking about discounting the amounts of --  
21 the interest amounts on the loan.

22 Q. So that's a disputed claim. It's in  
23 negotiation?

24 A. It's in negotiations, yes.

25 Q. All right. Would you go to page 7 of 9 on

1 this same Exhibit 1. The first entry on the top of  
2 your schedule F is the Forge Investment claim; is  
3 that correct?

4 A. Yes.

5 Q. And you put amount of claim of 22.5  
6 million; is that correct?

7 A. Yes.

8 Q. And you've also checked the disputed box;  
9 is that correct?

10 A. Yes.

11 Q. And why is that?

12 A. Because I don't know exactly what the  
13 amount is. I've never been told by -- never been  
14 given the amounts by Traverse Mountain.

15 Q. So you dispute the amount but you don't  
16 dispute the liability?

17 A. Well, I -- we're disputing it -- we're  
18 disputing whether we owe that amount and some of our  
19 litigation.

20 Q. You dispute that you owe Forge anything?

21 A. No. I know that I signed on the loan.

22 Q. Do you dispute that you them any money?

23 A. No, I'm not disputing it. We are -- I'd  
24 have to turn to my attorneys on that. I know that  
25 we're litigating against the amount, the full amount

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1 that --

2 Q. That claim's also in litigation?

3 A. Yes.

4 Q. Okay. Would you go to the next page, the  
5 schedule F, page 8 of 9. It's entitled Current  
6 Income of Individual Debtors Amended.

7 A. Yes.

8 Q. Do you see that? Is that accurate? The  
9 total income that you and your wife have is \$3,008  
10 per month?

11 A. Yes. But we've been negotiating -- I  
12 mean, are you saying as of the time I signed this?

13 Q. And today. Is it any different today?

14 A. We're negotiating consulting fees and  
15 management fees. And I've received some small  
16 amounts and believe that that'll increase with each  
17 coming month and be part of the plan.

18 Q. And how much have you received since the  
19 date of filing these amended schedules?

20 A. I believe I have been getting about  
21 \$1,500. Well, not since this date. It would have  
22 been starting last month. So it would have been  
23 September, \$1,500 in addition --

24 Q. That's since -- this was filed on August  
25 16th, right?

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1 A. Yes.

2 Q. So that's since that date.

3 A. Since that time.

4 Q. And you receive --

5 A. And this was filed on August 8th I think  
6 you said on the --

7 Q. Well, it was filed on August 16th. As the  
8 Court points out, it was signed on August 8th.

9 A. Okay. All right.

10 Q. So you've received \$1,500 in consulting  
11 fees since August 16th?

12 A. Yes.

13 Q. And who was that from?

14 A. That was from my son.

15 Q. From your what?

16 A. My son.

17 Q. What's your son's name?

18 A. McKay Christensen.

19 Q. What'd you do for him?

20 A. Helped him with some of the -- one of the  
21 projects that he's been working on and has part  
22 ownership in; not related to the Traverse Mountain  
23 entities.

24 Q. Okay. And he's actually paid you that?

25 A. Yes.

1 Q. And where'd that money go?

2 A. It went into our bankruptcy debtor in  
3 possession account.

4 Q. Have you spent it?

5 A. Not all of it. But I think a big portion  
6 of it.

7 Q. Okay. Other than the social security and  
8 this consulting fee with your son, do you have any  
9 other source of income?

10 A. I have sources, but I'm not receiving the  
11 payments. I'm over in litigation with Traverse  
12 Mountain. For three and a half years I haven't  
13 received a penny, but I believe I'm owed money.

14 Q. The claims of those we just discussed.  
15 Those disputed claims that we just covered, right?  
16 The 75 million?

17 A. Yeah. That's -- yeah.

18 Q. Okay.

19 A. It would be part of that.

20 Q. All right. Would you go to two pages  
21 further. We've got the cover sheet for the amended  
22 schedules in the VS Fox Ridge case. Do you see that  
23 at the top it says docket 44, page 1 of 31?

24 A. Yes.

25 Q. Okay. And you're a manager of VS Fox

1 Ridge, correct?

2 A. Yes.

3 Q. And did you sign this amendment or  
4 authorize it to be signed? It's got an e-signature  
5 right in the middle of the page.

6 A. Yeah. Where the attorneys signed.

7 Q. Yeah. Actually it's an electronic  
8 signature, but it's dated August 7th of 2012?

9 A. Yes.

10 Q. And you reviewed these amendments before  
11 they were filed?

12 A. Yes. This -- yes.

13 Q. And would you go to the next page? This  
14 is page 2 of 31. Question 1 asks for income of VS  
15 Fox Ridge over the last three years. Do you see  
16 that?

17 A. Where it says income from employment or  
18 operation of business?

19 Q. Correct.

20 A. Yes.

21 Q. And what did you put as the income of VS  
22 Fox Ridge in 2010?

23 A. I think we have down the \$93,000.

24 Q. That's negative, isn't it?

25 A. Yes.

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1 Q. So it had a loss in 2010?

2 A. Yeah. I think we took this off our tax  
3 return.

4 Q. And then on 2011 you have zero; is that  
5 correct?

6 A. Yeah. That's -- the taxes aren't quite  
7 done for 2011.

8 Q. Do you have cause to believe that there  
9 will be income in 2011 or not?

10 A. I don't know. We're just working on that  
11 right now trying to get it finished with our  
12 accountant.

13 Q. In 2012 you show zero income; is that  
14 correct?

15 A. Yes. Because we don't have any of the tax  
16 information. It hasn't been provided to us so that I  
17 can do it.

18 Q. And that's part of the reason VS Fox Ridge  
19 hasn't paid you the 25,000 that's shown as an account  
20 receivable on your schedule; isn't that correct?

21 A. That's part of the reason.

22 Q. Okay. Question 2, you have none; is that  
23 right? You've got the none box checked in there,  
24 filled in.

25 A. Yeah. It says during the two years

1 preceding. And that was because for 2012 and 11  
2 we're trying to pull that information together and  
3 get the information from the Traverse Mountain entity  
4 so that I can do my taxes and then make a fair  
5 representation on here what needs to be done. I was  
6 just afraid to make a representation without all of  
7 those informations going through the accountant.

8 Q. On the next page there's paragraphs A, B  
9 and 3. Paragraph 3, payment to creditors A, B and C.  
10 You've checked the none box on all of those; is that  
11 correct?

12 A. Yeah. For the same reasons.

13 Q. So Fox Ridge hasn't been paying anybody?

14 A. No. No, not -- I don't think in the last  
15 two years, except as it might relate to that four  
16 lots that were subdivided in front of my home --

17 Q. Okay.

18 A. -- on the piece of ground that we own that  
19 I referred to that's called Apple Creek Orchards --  
20 Apple Creek Farms.

21 Q. Page 3 of 31 the question number 4, suits  
22 and administrative proceeding. You do have some  
23 entries there, correct?

24 A. I'm sorry. I'm not quite sure where  
25 you're at on this.



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1 Q. Paragraph 4.

2 A. Okay.

3 Q. Page 3 of 31. It's the same page we were  
4 just on.

5 A. All right.

6 Q. You do have seven lawsuits identified  
7 there; is that correct?

8 A. Yes.

9 Q. Okay. And those are all active or they  
10 were active before your bankruptcy case?

11 A. Yes. I believe they were.

12 Q. Okay. Go to the next page. This is 4 of  
13 31. Questions 4B, 5, 6 A and B, 7, 8. You've  
14 checked the none box in all of those; is that  
15 correct?

16 A. Yes.

17 Q. Next page you have question 9 as payments  
18 to attorneys. You disclose that you've paid to your  
19 attorneys \$25,000; is that correct?

20 A. Yes.

21 Q. What's the source of those funds?

22 A. That was some water shares that I owned,  
23 my wife and I owned.

24 Q. And did you sell those water shares and  
25 then pay the money to your debtors counsel?

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1 A. Yes.

2 Q. And was that done after Judge Kennedy  
3 issued the injunction against you liquidating any  
4 assets?

5 A. I don't remember right --

6 MR. BOLEY: Objection, relevance and  
7 assumes facts not in evidence.

8 THE COURT: Well, I'll overrule the  
9 objection.

10 Mr. Shields, you want to back up and see  
11 if you can lay some foundation?

12 MR. SHIELDS: Yes.

13 Q. (By Mr. Shields) At the first meeting of  
14 creditors you'll recall the attorney for Howcroft  
15 appeared and asked you questions, didn't he?

16 A. Could you please repeat that? I'm sorry.

17 Q. Eric Olson --

18 A. Yes.

19 Q. -- the attorney for Howcroft --

20 A. Yes.

21 Q. -- appeared at the first meeting of  
22 creditors; is that correct? Do you remember that?

23 A. Yes, he was there.

24 Q. Do you remember him asking you questions?

25 A. I do.

1 Q. Do you remember him asking you where'd you  
2 get the 25,000 to pay your debtors attorney. Do you  
3 remember that?

4 A. I vaguely do.

5 Q. And didn't you say, well, we sold this  
6 water stock and paid it. And then he said, well,  
7 wasn't that a violation of Judge Kennedy's order, and  
8 you said --

9 MR. BOLEY: Your Honor, instead of doing a  
10 colloquy of answers and questions that happened in  
11 another proceeding, why don't we just ask questions  
12 here and have answers. I object to this line of  
13 inquiry.

14 THE COURT: And that's overruled. He's  
15 just trying to get Mr. Christensen to remember what  
16 happened at the 341. If you can just answer in a  
17 narrative fashion, that'd be fine.

18 MR. SHIELDS: It'd be easier, yes.

19 THE WITNESS: Yeah. I don't remember Eric  
20 Olson ever saying to me -- there's a court record, a  
21 tape recording. But I don't remember him ever saying  
22 that -- talking about Judge Kennedy's case and about  
23 any sanctions there and what was happening with  
24 regards to these water shares. I don't remember him  
25 ever asking me that.

1 Q. (By Mr. Shields) You don't remember him  
2 -- I'll ask you now. Do you remember now that Judge  
3 Kennedy had issued an injunction against you to  
4 liquidate any assets?

5 A. Yeah. That --

6 MR. BOLEY: Objection, best evidence.

7 THE COURT: Overruled.

8 THE WITNESS: Yes, separately, unrelated  
9 to Eric Olson. He's the attorney in that other case.  
10 Yeah, there is that sanction that was placed -- in  
11 place because we --

12 Q. (By Mr. Shields) And again, I don't want  
13 to put words in your mouth. But I recall you saying  
14 that you had forgotten that you had this water stock  
15 when you were examined by Mr. Howcroft just like two  
16 weeks before the bankruptcy. Do you remember  
17 testifying to that?

18 A. I vaguely do, yes.

19 Q. Okay. And is that your testimony today --

20 A. You're talking about -- you're talking  
21 about a deposition that was taken?

22 Q. Yeah. It was an asset exam, right?

23 A. With Eric Olson.

24 Q. Yeah. And he asked you what assets do you  
25 have. And you never mentioned this water stock, did

1 you?

2 A. No. I disclosed it to Eric Olson.

3 Q. In the first meeting but not in the  
4 debtors exam, did you?

5 A. I don't remember the dates of the two. I  
6 don't remember the dates that you're referring to.

7 Q. All right. Let's go to question 10. You  
8 show in other transfers that you have transferred  
9 some shares. I assume that's membership interest in  
10 VS Fox Ridge?

11 A. Yes.

12 Q. It's not really shares, is it, because  
13 they're not a corporation LLC membership interest?

14 A. Yes.

15 Q. And you've transferred those to Staph  
16 Investment, Richard Staph and Sherrie Staph. Who is  
17 Richard and Sherrie Staph?

18 A. They're friends of ours and people who had  
19 loaned us some money.

20 Q. So you transferred these shares in lieu of  
21 repaying the debt?

22 A. Not in lieu of repaying it. It's just  
23 part of the terms of the debt.

24 Q. So the debt -- is it collateral for  
25 repayment or is it actually satisfaction of the debt?

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1 A. No. It was a loan that was made with  
2 collateral.

3 Q. And what was the collateral?

4 A. It was my home.

5 Q. So they had a loan secured with your home,  
6 and then you transferred these shares as partial  
7 payment of that debt?

8 A. Yeah. As partial payment I did.

9 Q. So is that the only transfer that VS Fox  
10 Ridge has been involved in in the last three years is  
11 the share -- or membership interest --

12 A. In the last how many years?

13 Q. Three years.

14 A. No. There was a transfer to McKay  
15 Christensen. He had an option to exercise to  
16 purchase or to acquire some of a percentage of VS Fox  
17 Ridge.

18 Q. Okay. So you also transferred some  
19 membership interest to your son, McKay?

20 A. Yes. But it was before this time period.

21 Q. Okay.

22 A. I think it was 2009.

23 Q. And then question 10B and question 11  
24 you've checked the none box, correct?

25 A. Yes.

1 Q. On the next page every question, 12  
2 through 17A you've checked the none box?

3 A. Yes.

4 Q. Next page paragraphs 17B and C you've  
5 checked the none box?

6 A. B and C? Yes.

7 Q. And then question 18, nature, location and  
8 name of business. You've disclosed that the debtor,  
9 VS Fox Ridge, has an interest in three entities; is  
10 that right?

11 A. Yes.

12 Q. And that's Fox Ridge Investments, LLC,  
13 Land Com Financial Group, LLC and Solitude  
14 Investments, LLC; is that correct?

15 A. Yes.

16 Q. And is your interest -- is VS Fox Ridge's  
17 interest in those three entities, are they a majority  
18 controlling interest or a minority noncontrolling  
19 interest?

20 A. It has a minority -- a minority interest  
21 subject to terms of agreement and operating  
22 agreements and some on settlement agreements.

23 Q. Question 18B, you've checked the none box;  
24 is that correct?

25 A. Yes.

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1 Q. Question 19, you've identified White &  
2 Rasmussen as your bookkeepers/accountant?

3 A. Yes.

4 Q. And then questions 18B, C, D, question 20A  
5 and B you've checked the none box?

6 A. Yes.

7 Q. And then question 21, are the membership  
8 interest holders in VS Fox Ridge; is that correct?

9 A. Yes, I believe it is.

10 Q. Okay. We've already talked about Staph  
11 Investment and Richard Staph. They own four and a  
12 half percent. Your son, McKay, owns 27.1767 percent?

13 A. Yes.

14 Q. And you and your wife own the balance?

15 A. Yes.

16 Q. On the next page questions 21B through 25  
17 you've checked the none box in every case, right?

18 A. Yes.

19 Q. And then on the last page, that is your  
20 signature?

21 A. Yes, it is.

22 Q. And is there any cause to believe that  
23 these schedules would be any different today than  
24 they were when you signed them on August 7th?

25 A. There's -- as I mentioned earlier, there



1 are some things that have transpired and happened  
2 since we filled these out.

3 Q. The 4,000 you received -- well, no, that  
4 was in your personal case. As to VS Fox Ridge, has  
5 there been any changes?

6 A. No. Well, no. Just as -- with regards to  
7 what we're doing and putting together the plan and  
8 hiring law firms to represent us and things like that  
9 that are taking --

10 Q. But no change in the questions -- answers  
11 to the questions here that -- the Court wants to be  
12 fully informed, and I want to be fully informed. Are  
13 there any changes to questions that we've just gone  
14 through that would be different today than they were  
15 on August 7th?

16 A. Well, just the ones that we've talked  
17 about that I've mentioned here.

18 Q. Okay. Next page, 11 of 31. You put for  
19 schedule A you own no real estate, correct? We're  
20 talking about --

21 THE COURT: Mr. Shields, when you say you,  
22 what's --

23 Q. (By Mr. Shields) I'm talking about VS Fox  
24 Ridge. The debtor, this VS Fox Ridge debtor?

25 A. No.

1 Q. And on the next schedule B, page 12 of 31,  
2 you've checked none all except you have two bank  
3 accounts with a total of \$103.28; is that correct?

4 A. As of this date.

5 Q. Right. As of this date.

6 A. Yes.

7 Q. And that balance may have gone down or up  
8 depending -- actually, it's gone down, hasn't it, or  
9 has it changed?

10 A. No. It's had -- the balances have been  
11 slightly higher.

12 Q. And where did they get higher from? What  
13 income caused them to go higher?

14 A. Just the amounts that I've talked about  
15 here today.

16 Q. That was to you personally, right, to --

17 A. Excuse me. With regards to VS Fox Ridge,  
18 yes, you're correct. I'm sorry.

19 Q. On the next page, 13 of 31, questions 11,  
20 12, 13, 15, 16, 17, 18, 19, 20 you've checked the  
21 none box in all of those; is that correct?

22 A. Yes.

23 Q. Question 14, you've identified your  
24 ownership interest in Land Com, Fox Ridge Investment  
25 and Solitude, and you've valued that at \$20,600,000;

1 is that correct?

2 A. Yes. With the same -- it's an estimate  
3 with the same explanation that we said earlier on  
4 when I talked about it may be between -- I mean, this  
5 is our best estimate with the knowledge that we had  
6 at the time is what I'm saying, as far as the value  
7 goes.

8 Q. These are the three entities that you  
9 earlier said you have a minority interest in all  
10 three of these companies?

11 A. No. I think it's in dispute whether or  
12 not we have a minority interest in Land Com Financial  
13 Group.

14 Q. It's in dispute?

15 A. Yeah. And Solitude, I think, is in  
16 dispute as well.

17 Q. So you think you have a majority interest  
18 in those companies?

19 A. I believe that that's something that the  
20 attorneys can address better. But I believe that  
21 that's what we're --

22 Q. I see.

23 A. -- alleging, yes.

24 Q. Because clearly the percentages you put  
25 here, 25.5 for Land Com, that's the minority

1 interest, isn't it?

2 A. No. Well, excuse me, for VS Fox Ridge.  
3 I'm sorry, you're right. I was thinking in terms of  
4 the collective interests of the Christensens. But  
5 the 25.5 would be a minority interest.

6 Q. And the same for Fox Ridge Investments,  
7 16.728?

8 A. Yes.

9 Q. And the same for Solitude, 25.5?

10 A. Yes.

11 Q. Are we straight now? So you say as to the  
12 VS Fox Ridge, those are the percentages you claim to  
13 own?

14 A. Yeah. Those are our best estimates, yes.

15 Q. If you go to the next page, paragraph 21.  
16 This is page 14 of 31. It's the same category claims  
17 we looked at in your personal case. You've shown  
18 contingent unliquidated claims. First you have a  
19 value of 25 million. Do you see that?

20 A. Yes.

21 Q. And I'll just quote what you say here,  
22 "Rights of contribution and/or indemnity arising  
23 under organizational documents of Fox Ridge  
24 Investments, LLC and Mountain Home Development  
25 Corporation."

1 Now, is that the same claim that's  
2 identified in your personal bankruptcy schedules?

3 A. I believe that they both took place in  
4 VS. Both of those claims are in VS and in my  
5 personal. But there may be some overlap there.

6 Q. Okay. And those entities, Fox Ridge  
7 Investments and Mountain Home, they don't agree they  
8 owe you 25 million, do they?

9 A. No. They're disputing it.

10 Q. They're disputed.

11 How about the next claim, Fifty million,  
12 claims for conversion, breach of fiduciary duty,  
13 fraud, conspiracy, breach of duties of good faith,  
14 disillusion, theft of assets. Is that also a  
15 disputed claim?

16 A. Yes.

17 Q. Those companies have identified. They  
18 don't agree that they owe you 50 million, do they?

19 A. No. It's being disputed.

20 Q. And then your last entry there is a claim  
21 against RR Penga. You've listed \$5 million. What's  
22 the source of that claim?

23 A. Do you want me to -- do you want me to --  
24 those are claims that we anticipate bringing against  
25 RR Penga. This Ross Stokes and Traverse Mountain,

1 he's been a lender to Traverse Mountain, hard money  
2 lender to them. And under the terms of this  
3 settlement agreement, Traverse Mountain was supposed  
4 to repay me and Ted Heap and Kinnon Sandlin, we all  
5 loaned money to the company. Traverse Mountain was  
6 supposed to pay us all back about \$2 million. I  
7 loaned about \$800,000 to Traverse Mountain companies,  
8 the entities. And they were supposed to pay me back  
9 in our settlement agreement, and they never did. The  
10 terms are outlined in there. And RR Penga came in  
11 and bought by note from Key Bank and tried to  
12 foreclose me out, which led me to this bankruptcy.  
13 But he did not -- Traverse Mountain did not honor the  
14 terms of the settlement agreement or have Penga pay  
15 off their debts for Kinnon Sandlin. And they still  
16 haven't paid off their debts, but they're foreclosing  
17 me out of my debt and they're all identical notes.  
18 Ted Heap and Kinnon Sandlin and I have identical  
19 notes. The CEO, the COO are still sitting there with  
20 their notes unpaid. We all borrowed them at the same  
21 time from the same bank. But --

22 Q. Mr. Penga --

23 A. -- they sold this note. They sold this  
24 note to him or he purchased this note from Key Bank,  
25 and he was a hard money lender for the Traverse

1 Mountain companies. And he came after me to  
2 foreclose me out and get our family's ownership in  
3 the Traverse Mountain companies. And that's what led  
4 to this case.

5 Q. NOW, this claim was not identified in your  
6 initial schedules. This claim was added when you  
7 amended in August, correct?

8 A. Yes.

9 Q. Why was it not listed in the first  
10 schedule?

11 A. Because we've been trying to unfold the  
12 story of what went on. This has all been concealed.  
13 It's never been brought to the board. It's never  
14 even to this day been brought to the board.

15 Q. So it came to your attention after the  
16 initial schedules were filed and before the August  
17 7th date when you signed the amended --

18 A. Well, after they served me with a  
19 sheriff's notice to sell -- or to foreclose out all  
20 of my interests or my family's interest in Traverse  
21 Mountain --

22 Q. But that was --

23 A. We only knew a little bit --

24 Q. Wait just a minute. That was  
25 prebankruptcy, right?

1 A. Yeah.

2 Q. My question is --

3 A. But I only knew -- I only knew a little  
4 bit of information. They blindsided us with this  
5 because I thought all three notes were going to be  
6 taken care of together according to the settlement  
7 agreement. Only I was being foreclosed on and only  
8 my note got paid. Traverse Mountain is sitting on  
9 millions of dollars and could have paid this off like  
10 they were supposed to under the terms of the  
11 settlement agreement; even now could still do it.  
12 But there's been no board meeting. There's about no  
13 notice. Nobody's explained this to me to this day.  
14 So I'm still trying to figure out what happened and  
15 what's been going on. And that's why I had to come  
16 back and amend it.

17 Q. Okay. So we --

18 A. That's why I'm here in bankruptcy is  
19 because of this -- well, it's this and many other  
20 things. But it's just part of the -- sorry, but it's  
21 just part of the squeeze out, freeze out, collapse my  
22 family's interest and take over our assets in the  
23 company.

24 Q. Mr. Penga does not agree that he owes you  
25 \$5 million, does he?



1 A. Well, I'm sure he may not.

2 Q. In fact, he recently filed a claim for  
3 \$971,000 in your case, didn't he?

4 A. I just got served with that.

5 Q. Okay. So this claim is disputed as well,  
6 correct?

7 A. Yes, it is disputed.

8 Q. Go to the next page, 15 of 31, paragraphs  
9 28 through 35, you checked the none box on all of  
10 those, correct?

11 A. Yes.

12 Q. Next page, schedule D, page 16 of 31,  
13 you've checked the none box as the secured creditors?

14 A. Yes. Where it says check this box if  
15 debtor has no creditors holding secured claims?

16 Q. Yes.

17 A. Okay. Yes.

18 Q. So even through Mr. Penga claims to be a  
19 secured creditor, you don't acknowledge him as a  
20 secured creditor, do you?

21 A. No, I borrowed that money from Key Bank,  
22 and it was unsecured.

23 Q. Okay.

24 A. And I loaned it to Traverse Mountain, and  
25 Traverse Mountain was supposed to pay it off. Never

1 did, and then he came in and bought my note, like I  
2 said, and sought to take over, foreclose us out. And  
3 he did not do it to Ted and Kinnon who -- the CEO and  
4 the COO. And we were all bound by the same terms for  
5 the same settlement agreement.

6 Q. Okay.

7 A. So...

8 Q. Go to the next page, page 17 of 31. This  
9 is schedule E, creditors holding unsecured priority  
10 claims. You've also checked that you have no  
11 creditors in this category; is that correct?

12 A. I'm sorry. Which -- page 18?

13 Q. Page 17 of 31, schedule E.

14 A. Okay.

15 Q. Creditors holding unsecured priority  
16 claim.

17 A. Yes.

18 Q. You've checked the box saying I have no  
19 creditors in this category?

20 A. Yes.

21 Q. What about taxing authorities? Don't you  
22 -- do you claim you don't owe -- VS Fox Ridge does  
23 not owe any taxes?

24 A. No, I don't think I -- I don't know if I  
25 represented that. But I think that we could owe a

1 small amount. I just don't have all the information  
2 I need from the Traverse Mountain entities.

3 Q. So this may not be accurate. It depends  
4 on what your taxes show?

5 A. Yeah. And I have to get all the  
6 information from the Traverse Mountain companies.

7 Q. All right. Go to schedule F. This is the  
8 amended unsecured creditor list. This is page 18 of  
9 31. It's the next page.

10 A. Yes.

11 Q. You've listed a lot of creditors with a  
12 zero balance, and it says notice only; is that  
13 correct?

14 A. Yes.

15 Q. And why is that?

16 A. I think I just did that as I reviewed it  
17 with your attorneys. I felt like that was the best  
18 way to fill this out at this time when I filed these  
19 papers.

20 Q. So you don't acknowledge you owe them any  
21 money, but you want to be aware of your bankruptcy?

22 A. Yes.

23 Q. Okay. So page 18 of 31, all the creditors  
24 on that page have notice only, zero claim balance,  
25 right?

1 A. Yes. These are --

2 Q. Same thing on page 19 of 31, all the  
3 creditors have notice only, zero claim balance?

4 A. Yeah. These are -- most of them are  
5 Traverse Mountain entities creditors. And I haven't  
6 been given enough information from the companies to  
7 be able to accurately answer all of these.

8 Q. Next page, 20 of 31. This is the first  
9 entry in your amended schedule F where you  
10 acknowledge a dollar amount of the claim; is that  
11 right?

12 A. I don't know if it's the first time.

13 Q. And that's Forge Investments?

14 A. You're saying it's the first time I've  
15 acknowledged Forge Investments?

16 Q. In these schedules, yeah.

17 A. No. I think we talked about Forge  
18 earlier.

19 Q. No. I don't want to confuse you. On this  
20 -- we've looked at two pages. All the other two  
21 pages have notice only zero --

22 A. Of this section, yeah. Okay.

23 Q. Right. This is the first page that has a  
24 dollar amount for a creditor, correct?

25 A. Yes.

1 Q. And that creditor is Forge Investments,  
2 LLC?

3 A. Yes.

4 Q. And in that paragraph you allege that --  
5 or you state that they have the a claim of 2.5  
6 million in the top entry and 22.5 million in the next  
7 to the top entry, correct?

8 A. Yes.

9 Q. So you think that Forge has a claim in the  
10 amount of 25 million if you add those two together?

11 A. I don't -- like I said earlier, I don't  
12 know what the exact amount is.

13 Q. And you've checked the disputed box there,  
14 correct? See that column that says disputed?

15 A. Yes.

16 Q. You put an X in there. So at least you  
17 acknowledge they have a claim, but you dispute the  
18 claim?

19 A. Yes.

20 Q. Okay. The last three entries on that page  
21 are notice only with a zero claim, right?

22 A. Yes.

23 Q. Go to the next page. Same as the first  
24 two, every creditor on that list is notice only with  
25 no -- with zero amount of claim?

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1 A. Yes.

2 Q. And you've checked the disputed box on all  
3 those too, correct?

4 A. Yes.

5 Q. On the next page, 22 of 31, there's one  
6 entry with a dollar amount. That's to your son,  
7 McKay, for a million-five; is that right?

8 A. Yes.

9 Q. And that claim is not disputed?

10 A. No. And it's -- the boxes that are  
11 checked as we're going through here are almost all  
12 the individuals that are involved on the other side  
13 of the litigation against us in the Heap case. And  
14 the Howcroft case.

15 Q. Well, let's focus on McKay here.

16 A. Okay.

17 Q. So McKay has a claim of a million-five  
18 that you don't dispute?

19 A. No, I don't.

20 Q. And the other creditors on that page, 22  
21 of 31, all of them have zero claims with a disputed  
22 check box?

23 A. Yes. I'm in litigation -- we're in  
24 litigation with all these individuals.

25 Q. Yeah. Next page, 23 of 31, the first

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1 entry is Mitchell and Barlow -- or it says Mitch and  
2 Barlow. I think it's a typo. It should be Mitchell  
3 and Barlow. Isn't that your attorney in one of the  
4 litigation?

5 A. Yes.

6 Q. And you admit you owe them \$100,000?

7 A. Yes, I do.

8 Q. The other creditors are a notice only with  
9 zero claims, right?

10 A. Pardon me, could you repeat that?

11 Q. Zero claims. Notice only with zero  
12 claims, that's how you've identified them?

13 A. Yes.

14 Q. And that includes other people you're in  
15 litigation?

16 A. Yeah. No, it includes people that we're  
17 in litigation with.

18 Q. Okay.

19 A. And we just listed everybody even though I  
20 may not owe them any money, so.

21 Q. Sure. Next page, 24 of 31, four of the  
22 five creditors you put notice only, zero claims,  
23 disputed, correct?

24 A. On that page it's all the other partners  
25 that we're in litigation with --

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1 Q. Okay.

2 A. -- in the Traverse Mountain companies.

3 Q. And Richard Staph you've identified as the  
4 \$250,000 claim that's undisputed?

5 A. Yes. That's the loan that I talked about  
6 against my home.

7 Q. Okay. That loan is no longer secured,  
8 right?

9 A. Pardon me?

10 Q. That loan is no longer secured?

11 A. Yes.

12 Q. Okay. Go to the next page, 26 of 31.  
13 There's five creditors listed. All five of those  
14 you've checked the disputed box, correct?

15 A. No.

16 Q. Which one have you not checked the  
17 disputed box?

18 A. Oh, excuse me. Yes, all five of them are  
19 disputed.

20 Q. And all of them have notice only with a  
21 zero except for the RR Penga claim where you've put a  
22 value -- an amount of 925,000; is that correct?

23 A. Yeah. That's the money that I borrowed  
24 and loaned to the companies. The rest of these  
25 people are all on this side of the litigation in the



1 Heap case.

2 Q. Okay. Let's go to the next page, 26 of  
3 31. Again, four of the five creditors you've checked  
4 the disputed box but notice only; is that correct?

5 A. Four -- you're saying four of five?

6 Q. Yeah. There's five creditors on the list.

7 A. Yes.

8 Q. Four of them notice only --

9 A. Yes.

10 Q. -- zero disputed?

11 A. Yes.

12 Q. The one that isn't is the claim to you and  
13 your wife, Stephen and Victoria Christensen. And  
14 you've alleged that you --

15 A. Yes. And all the others are in the Heap  
16 litigation.

17 Q. And this \$25,000, that's the same dollar  
18 amount that's identified in your personal schedules  
19 as a receivable; is that correct?

20 A. I believe it is.

21 Q. Okay. Go to the next page, 27 of 31.  
22 Every creditor on that page is listed as zero --  
23 everyone except White & Rasmussen is listed as  
24 disputed. And under the White & Rasmussen claim, you  
25 state "White & Rasmussen, LLC has agreed to waive

1 claims of any balance due." Is that correct?

2 A. Yes.

3 Q. Is that in writing?

4 A. No. It's verbal.

5 Q. How much did they waive?

6 A. I think it was about \$7,000.

7 Q. Okay. So you've listed your total  
8 unsecured -- excuse me. Your total -- yeah, total  
9 claims here of \$27,800,000, right?

10 A. I'm sorry. Maybe you could point me to --

11 Q. It's right at the bottom of page 27 of 31.

12 A. Yes.

13 Q. Okay. Page 28 of 31, schedule G,  
14 executory contract. You've checked the we have no  
15 executory contract.

16 A. Yes.

17 Q. Okay. We'll pass on pages 29 and 31, your  
18 list of codebtors. Go to page 31 of 31. This is  
19 your signature; is that correct?

20 A. Yes.

21 Q. And it's dated August 7th of this year?

22 A. Yes.

23 Q. And the next page, 1 of 1, that's your  
24 summary for the VS Fox Ridge?

25 A. Yes.

1 Q. And that total assets is \$100,600,103.28,  
2 right?

3 A. Yes. Subject to those -- I can't put an  
4 exact value on it. So it's subject to the same thing  
5 that I listed earlier when I talked about that --

6 Q. Okay.

7 A. It may be that number. It could be more  
8 or less.

9 Q. And the \$103.28, that's the amount in your  
10 bank account, correct?

11 A. Yes.

12 Q. And the other amounts are your disputed  
13 claims of 80 million and the value of your minority  
14 interests in those three companies at 20.6 million;  
15 is that correct?

16 A. I apologize. I'm not finding that right  
17 now. Are you on page 1 of 1 still?

18 Q. Yeah. Just trying to get the makeup of  
19 that 100 million. \$103 is cash, the other are the  
20 claims that are disputed, and the -- your alleged  
21 value of the three companies you have a minority  
22 interest in?

23 A. And the shares?

24 Q. Yeah.

25 A. Yeah.

1 Q. Okay. And go to the next page, 1 of 2 in  
2 docket number 46. That's your list of 20 largest  
3 unsecured creditors. In fact, that's all the  
4 creditors in this case that you acknowledge, right?  
5 All the other creditors that you've listed you have a  
6 zero and a disputed claim.

7 A. I believe, to the best of my ability, I  
8 worked on this with our attorneys on putting together  
9 a list. This is the best that we could put together  
10 at the time.

11 Q. And even some of these claims, Forge and  
12 Penga are disputed. So the only undisputed ones are  
13 to yourself, to Mitchell & Barlow, to your neighbor,  
14 Richard Staph, and it your son; is that correct?

15 A. I believe that's correct.

16 Q. Those are the only four creditors you  
17 acknowledge?

18 A. Correct.

19 Q. Okay. Would you go to tab 2. This is a  
20 document number 4 in the Stephen and Victoria  
21 Christensen case. That's a document filed by your  
22 attorney. It's dated June 20th by your attorney,  
23 David Berry. He's counsel in your personal case; is  
24 that correct?

25 A. Yes.